People's Perceptions of Factors Influencing the Language Effect in International Trade- Evidence from the Case of North Cyprus

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ABSTRACT

The main purpose of this thesis is to empirically investigate 25 factors of the language effects on foreign trade. 200 respondents, living at different areas, participated in the questionnaire. Means, Independent Samples Test, One-way Anova techniques were conducted to investigate and compare language effects criteria. According to the descriptive statistics, the most important factors compared to others are; 'English language is the most useful one in international trade', 'easy learning', 'influence of colonial ties' and 'the effects of multi-language used at the same time in education system'. Based on independent sample t-test, 'easy learning', 'influence of colonial ties', 'the effects of multi-language used at schools in a country at the same time', 'the level of gdp per capita (wealth of a nation)', and 'English language is the most useful one in international trade', have differences between female and male on language effects in international trade. Finally, Anova analysis shows that "easy learning", "influence of colonial ties", "influence of the current technology development", "effect of country educational system", "the level of gdp per capita (wealth of a nation)", "English language is the most useful one in international trade' and 'the effect of foreign language at schools in a country' have differences based on the age groups in terms of influencing factors of the language effects in international trade.

Keywords: language effect factors, independent sample-test, Anova analysis, North Cyprus economy

ÖZ

Bu tez yabancı dil faktörlerinin uluslararası ticaret üzerindeki önemini inceler. Kuzey Kıbrıs'ta 200 kişiyi hedef alarak yapılan bu çalışmada 25 önemli yabancı dil faktörünü içermektedir. Ortalama değerler, t-değerleri ve anova analizi hesaplanarak bu faktörlerin burada yaşayan kişiler üzerindeki etkisi mukayese edilmiştir.

Ampirik Sonuçlar genel olarak yabancı dilin 'kolay öğrenimi', 'koloni bağları', 'teknolojik gelişimin etkisi', 'ülkenin eğitim siteminin önemi', 'paralel zamanda ülkede kullanılan diğer yabancı dillerin etkisi', 'İngilizçe dilinin en kolay öğrenilir olması' ve 'kişi başı düşen milli gelirin' etkisi en önemli nedenlerinden olduğunu göstermektedir. Bu kriterler statistiksel olarak anlamlı ve seçildiği cinsiyet ve yaş faktörleri bazında farklılık gözetmektedir.

Anahtar Kelimeler: Yabancı dil kriterleri, t-testi, Anova analizi, Kuzey Kıbrıs Ekonomisi.

I am dedicating this thesis to my beloved parents

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Chapter 1

INTRODUCTION

1.1 Overview of the study

Common languages between two parties facilitate communication and re-assures transactions (Jan F. & Jarko F, 2009). As we well know, our cultural factors have many influences in our daily life. Moreover our languages that we speak are part of our culture. Cultures have been defined by anthropologist in various ways. The definition usually contains some key idea such as common shared values, belief, customs, material objects, religions, hierarchies, meaning, language and rituals and so on that are acquired by society through individual and group strivings. Therefore, language is the effective factor of common sounds and symbols by which individuals or groups communicate to each other. When a nation or a society is composed of large number of majority from same culture and few numbers of minority society or groups, then the minority groups gets assimilated within majority groups so that they have a larger pool of potential trading partners (Edward P. L, 1995). Common culture and common language help to facilitate trade between two individuals (Jan F. & Jarko F, 2009). I therefore focus on to determine the important factors of the language effects on international trade.

1.2 Objectives of this study

This study empirically investigates 25 important factors in determining the important factors of the language effects on international trade by using 200 respondents, living at different areas who participated in the questionnaire.

The following research questions have been developed:

1. What are the most and the least factors influencing the language effects on international trade? 2. Are there significant differences between the participants with different gender in terms of determining the factors of the language effects on international trade? 3. Are there significant differences between the participants with different age in terms of determining the factors of the language effects on international trade?

1.3 Methodology of the study

This study employs means scores, t-test and ANOVA test to find out the difference, the relevant groups and genders based on the language effects on international trade whereas five-points in Likert Scale is conducted by applying ranging from 1 to 5; namely, number 1 is associated to "not important at all", number 2" not important", number3 "not so important", number 4 "important" and number 5 is "very important" which is utilized in the questionnaire to evaluate 25 items of professional factors.

1.4 Findings of this study

Results mainly show that "easy learning", "influence on colonial ties", "influence of the current technology development", "effect of country educational system", "the effect of the multi-language used at the same time", "English language is the most useful one in international trade" and "the level of GDP per capita'' are statistically significant and have differences based on the criteria selected.

1.5 Structure of this Study

Chapter one of this study is the introductory section while chapter two takes a look at past research studies (literature review). Chapter three shows the methodology, sampling design and how the theoretical modeling has been applied. Chapter four presents findings and estimated results. Chapter five discusses the concluding remarks and chapter six gives the recommendations for future study.

Chapter 2

LITERATURE REVIEW

2.1 Language and Trade

From various research works, the only ones that seem to focus more on the relationship between languages and trade (bilateral) are that of Melitz (2008) and Hutchinson (2002). Although the role of only the English language in selected countries was analyzed by Hutchinson, Melitz tried to consider all the major indigenous languages spoken by at least four percent (4%) of the population and from his (Melitz) findings, it shows that all categories of those indigenous languages which he tags as direct communication all increases bilateral trade. However, due to the constraints of studying only with indigenous languages, Melitz could not ascertain the effect of foreign languages on trade. Another study carried out by Rauch and Trindade (2002) showed that immigrants to a large extent help to foster trade relationship especially between their home countries and the foreign countries. A similar article emphasized that, two different countries which share the same language end to always engage more in trade by a multiple factor of 1.8; a figure which is similar to the effect of a common border (Frankel & Rose, 2002). In one of the several studies attempting to analyze the cost of language in details, there was a tax equivalence of language cost estimated at about 7% and non-tariff and tariff barriers related to the trade within borders was estimated at 44%; Anderson and Van (2003). Their study showed information of cost and the importance of language on trade estimated at 8%. According to Helpman (2009), the results for a distinguished

intensive and extensive margin of trade as regards to market entry shows that languages that are commonly spoken are important part of fixed costs. As a matter of fact, there is an increase in the probability of bilateral trade by 10% between two countries that speak a common language.

Once there is a translation of a common language, the true meaning somehow ceases to be obvious between two countries. In a more direct interpretation, for both countries, different people speaking two different languages fluently could make available all the necessary market information in their "preferred" language. This is achievable through an electronic system or simply by bringing in someone who is technically sound in translating one's language to the other individual in their own language without any issues in the chain of business process. As for a case of some major organizations around the world that still practice expatriation, this seems to be one of the easiest ways out of the language barrier in trade because there is a translator. For many professional linguists around the world, this area seems to be a major opening for them in terms of job provision and career development while the cost (marginal) of offering this translation service likely remains zero to the final users because the services can be rendered at a negligible cost. Moreover, if this is the case, then there should not be any language barrier anywhere in the world since translation could possibly solve the problems. However, there seem to be a proper answer as to why translational services are not all that prominent across foreign trade. Firstly, in a study by Gould (1994), he further elucidated the scenario better in which he discussed the cost that is attached to this kind of service and which are the social overhead cost (cost attached to the distribution of translational service) and individual service cost basically. Therefore, putting into consideration the cost and

translational service may not be the best solution because no matter the size of the country's population including the languages that may be spoken there, when it comes to language and trade, only 2 common languages can apply to any paired countries. Secondly, direct communication is regarded as very important in trade. Some studies have proven this with their gravity models results showing that immigrants from any part of the world would promote trade especially with their country of origin (Rauch & Trindade, 2001; Head, Wagner and Ries, (1998); Dunlevyand Hutchinson (1999). One of the major reasons for this is the ability of the immigrants to be able to speak their own native language while also having the ability to interpret the host country's language. Looking at a study conducted by Grimes (2000), for the first time an index of linguistic diversity which covers all countries was provided in which it was said that if two people are picked randomly from a particular country, there is a likelihood of the two having a different mother tongue. This study will also be proving this in the same context because the survey was conducted in the same country and will be measured using the same model to check the probability of any two people having different mother tongue but living in the same country. In a closely related manner, there is a high probability of two different individuals having different mother tongues if the index is also higher (Lierberson, 1981). Again, it is generally concluded that the diversity of language causes more troubles in communication and of course in foreign trade; as a result has shown that there seems to be much technical issues between different countries and much uniformity of language when it is 'within' a particular country thereby causing an interference more with foreign transactions than with domestic transactions in terms of linguistic problems. But then, looking at it from another angle, language diversity in a home country should benefit foreign transactions as well due to a more

direct approach to communication that may apply. For instance, we may wish to consider a country like Nepal which has got a huge diversity in terms of home language and another country like England which has got only one language. Language barriers will not affect but will rather tend to benefit 'domestic trade' only in England than in Nepal due to its mono-language but on the other hand; Nepal has got an upper hand at the international level due to their multiple languages and as a result benefit more from foreign trade offerings. For instance, it is very easy for Nepalese living close to the borders to do business with India and China, and including England itself; than for England to do so. The major reason behind this is that some parts of Nepal as a whole already speak those countries' languages. Therefore, it is concluded that language diversity in a home country would be an added advantage for foreign business. In an effort to digest the information that is made available by the professional ethnologist on world language, Grimes (2000) concentrated on a study that solves the problem of quantifying the number of different language speakers that could possibly be living in a country. In a bid to come up with bigger and general constructs based on his work, at least three recent and different efforts have been utilized - Hall and Jones (1999); Rauch & Trindade (2002) and Wagner (2000). While not putting into consideration to provide a generalized index to communicate directly in process of an international trade and also limiting attention to few but major languages; Hall and Jones had focused on language that is concerned with certain institutional features. On the other hand, Rauch & Trindade focused on ties between ethnic groups while Wagner dealt with the Canadian domain specifically while choosing his languages carefully and accordingly even as they all collected their data basically on common native languages spoken.

When it comes to ‘language’ and ‘trade’, there are a few important questions that are yet to be answered. One of such question is whether English which is regarded as the world's most dominant language is far most preferred in promoting ‘trade’. Another question that is being asked is what is the impact of literacy and language diversity in one's home country on foreign transactions? Responding to these questions, it must be noted that first of all promotion and activities of bilateral trade should not be affected in any of the chosen two countries as regards to their language. Thus, a common language between the two countries should promote foreign trade whether it is direct or it is achieved through translation. For instance, English language which is said to be dominant in the world seem not to be effective anymore when it comes to the place of promoting trade compared to some European languages. Argentina and Spain could do business together regardless of the volume without the need for English because native language has taken advantage in this case. Most times, the usual measure is too less sensitive compared to the actual percentage of individuals living in a country and would communicate directly with each other considering a common language which is present. Looking at another example, Tanzania & Ghana speak English while Cameroon & Senegal speak French; consider the probability that a random pair of individuals from Tanzania and Ghana both speak English as well as the probability of Cameroon and Senegal speaking French. Then, the outright figure is still less than 10% for both. This will imply that actual numbers who can communicate directly does not really matter.

2.2 Common Spoken Language

According to the CIA world fact book, Common Spoken Language (CSL) refers to a language that is probably one's native language or a foreign language. It necessarily does not translate to a written language even though it could also be one's native or

official language. There are over 6500 spoken languages in the world with the belief that human language only existed some half of hundred thousand (50,000) years ago; and some of them which sometimes are given second place and are been taught in a country's schools - colleges and universities. Every society and community has a special language in which they use to communicate to one another. If you are to expose a new born baby to a new settlement regardless of his/her parental factor, such a baby have the tendency to speak the language that is common in that community or settlement and fully master it because the truth of the matter is that all societies have a commonly spoken language while they have to yet study the written language. This is true because common spoken languages always come naturally to all humans from their childhood as they learn to speak. On the other hand, while it is an easy thing for a new born growing, it may be somewhat very difficult for an adult to acquire a new language because children are somehow designed to pick up any spoken language that is introduced to them. For example, it is very easy for a child whose parents are Japanese but living in the Unites States to take up English language as well as having the American accent without so much tutoring because that is how the spoken language has influenced him/her unlike a written language which is never learned effortlessly and has to be taught in time.

One of the major differences between a spoken language and a written language is that any language is usually spoken primarily but written language is just a reflection of a spoken language and is usually not perfect conveyed also through an imperfect technology known as writing. Among this huge number of spoken languages, there are still some other ones which are frequently heard and spoken across the world

than the other. Below is a list of some major languages around the world that are commonly spoken.

Table1: showing Top 10 most spoken languages in the world :

Commonly Spoken Language	Current Figures	Few major countries where it is used.
1. Mandarin	**1, 917,000,000**	China
2. English	**508,000.000**	Australia, England, Zimbabwe, Canada, New Zealand & U.S.
3. Hindi	**497,000,000**	India
4. Spanish	**392,000,000**	South America and Spain
5. Russia	**277,000,000**	Russia and Kazhakstan
6. Arabic	**246,000,000**	Saudi Arabia, Iraq, Jordan, Egypt, Syria and Kuwait
7. Bengali	**211,000,000**	Bangladesh
8. Portuguese	**191,000,000**	Portugal and Brazil
9. Malay	**159,000,000**	Malaysia and Indonesia
10. French	**129,000,000**	Canada, Belgium, France, Cameroon and Haiti

2.3 Common Official Language (COL)

Common Official Language which is also known as "Lingua - Franca"; according to the CIA world Fact-Book simply refers to a language that is generally accepted, given a special legal status, and widely used in the government, state, parliament, court and administration of a particular country for business purposes or for other

form of communication as it may apply. There is no any country in the world where there is a solely or purely one language in existence. In addition, what we have is a purely dominance of one over the other - the majority always carry the vote. Therefore, regardless of the number of languages that may be spoken in any country, there is always one language that over-rides the other one when it is widely used; especially the one that is being used by the government of that country. When it comes to international trade, there is also an official language that is widely used and accepted by the people and by different countries. Although, English language seem to be a general official language that is been used at the international level, it can as well be slightly different when it comes to two different countries having a predominantly same language. For instance, trade between England and Nigeria will practically be in English language as well as trade between Cameroon and France practically will be in French; or trade between Brazil and Portugal will be in Portuguese language. There are about 193 countries in the world but just 178 of them have an approved official language in which some few countries numbering about seven (7) having more than one language as their official language. Among some very common official language are English which is regarded as most recognized official language with about 51 countries out of 178; followed by French with 28 nations having it as an official language, then Spanish (19), Arabic (19), and Portuguese (8); while some other ones such as Russian, German, Swahili, Italian and Turkish though regarded as official languages but yet spoken in very few countries. According to a chart by an organization (PRO English - only) from the U.S, some countries such as Australia, Mauritius, Chile, Argentina, Japan, and United States do not have an official language. On the other hand, for some very rare cases, India has got at least 27 languages it officially recognizes while Bolivia has got 37 languages.

From some previous research studies, colonialism had an impact on the kind of official language that is been adopted in a particular country as well as migration. However, in order to account for COL which has become a standard feature in gravity models, the model therefore was complemented to include potential determinants of bilateral trade (such as common border or land locked dummy), a common language dummy and other indicators of shared colonial heritage.

Moreover, most studies only concentrate on common languages to differentiate effect from the preference trade liberalization rather than paying much attention to the effects of languages estimated in itself. For example, some European languages can be said to have existed in two or more European countries. If we consider German language where it is spoken in Luxembourg, Austria and Germany itself, or French which is spoken in Belgium and France, we will not be wrong to accept that having this same language as an official language will aid bilateral trade. But, there could be a likely failure if we do not account for the common language effect thereby resulting in an upward (biased) estimate for the European countries in terms of trade effects of economic integration.

2.4 Common Native Language

Common Native Language (CNL) which can also be called mother tongue is referred to as an indigenous language spoken in a community, among a particular tribe or group of people living together in a country. A native language is not necessarily an official language even though it is regarded also as a spoken language. In most cases, a family language is the one that someone is likely to learn from childhood. Such languages can be said to be called a native language. Although in some cases, an individual could have more than one native spoken language and in this case; they

are referred to as bilingual or multilingual. In the real sense of life, one may not have the opportunity to learn an official language or a foreign language but definitely, one will always have the chance to learn his/her own native language.

Chapter 3

METHODOLOGY, SURVEY TECHNIQUE AND DATA

3.1 Methodology

A Quantitative Research Method was adopted for this research study. According to another researcher, quantitative research was defined as a logical, measurable, structural and wide concept of collecting data from different respondents in order to concur on an agreed answer (Bouma & Atkinson, 1995). Therefore, quantitative research methods are based on numerical information or quantities, and they are deeply related to statistical analysis. Furthermore, Quantitative Research Method can be used to measure individual opinions, impact of an independent variable on a dependent variable and different behaviors and attitudes.

For a typical quantitative approach, a well-designed questionnaire will be used in order to get information from a group of respondents. For this study, data was collected through the use of questionnaire distributed to different residents in Turkish Republic of North Cyprus (Famagusta to be precise) during the summer of 2014.

3.2 Sampling Design and Data collection

For this study, convenience sampling method was preferred due to the proximity of different individuals living together in the Northern Cyprus and speaking different languages.

Therefore, research questionnaire was administered on both citizens and non-citizens tradesmen who live in Turkish Republic of North Cyprus and the data collection

were completed between May 2014 and July 2014. The instrument used for data collection was a Likert's Scale method distributed by hand to 224 individuals who showed their consent to fill the questionnaire. After retrieving the questionnaire from the respondents, proper screening was carried to eliminate response error and a total of 200 were found to be completely filled and good for analysis, findings and results.

3.3 Questionnaire design, variables and measurement

The survey consisted of two sections with 36 items. In the first section, Demographic Profile questions existed. In the second section, Important factors of the language effects on foreign trade was measured by using the Likert scale ranging from 1 (Not Important at all) to 5 (Very Important). The important factors were adopted from previous studies. These factors were slightly modified by conducting the other researchers papers such as Youn & Faber (2000), Han 1987; Rook & Hoch (1985), Weun, Jones & Betty (1997), Pravat & Sreekumar (2010), and Peter .H & Andrea .L (2012), Jan Fidrmuc and Jarko Fidrmuc (2009), R.D. Bikash, S.K. Pravat and Sreekumar (2010), Peter H. Egger and Andrea Lassmann (2012) , Jacques Melitz (2006) and Jacques Mélitz and Farid Toubal (2012).

3.3 Data Analysis Technique

This study employs means scores, t-test and ANOVA test to find out the difference the relevant groups and genders based on the language effects on international trade whereas five-points in Likert Scale is conducted by applying ranging from 1 to 5; namely, number 1 associated to "not important at all", number 2" not important", number3 "not so important", number 4 "important" and number 5 is "very important" which is utilized in the questionnaire to evaluate 25 items of professional factors.

3.4 Research questions

The following research questions have been developed:

1. What are the most and the least factors influencing the language effects on international trade? 2. Are there significant differences between the participants with different gender in terms of determining the factors of the language effects on international trade? 3. Are there significant differences between the participants with different age in terms of determining the factors of the language effects on international trade?

Chapter 4

EMPIRICAL RESULTS AND DISCUSSION

4.1 Descriptive Statistic Analysis

The descriptive statistics is a quantitative (statistical) method of describing the main features of a collection of information (Mann et. al; 1995). It can be used in research works to summarize samples, acquire significant results and to show observations on a data set adequately. The mean, median, mode, maximum and minimum values of variables, standard deviation, and the sample size are the measures of central tendency that make up for descriptive analysis (Trochim et al; 2006).

Table 1 shows that the descriptive statistics was used to emphasize the Important Factors of language effect on international trade below, as 200 respondents were used with different ranges of mean. According to the descriptive statistics, the most important factor compared to others 'English language is the most useful one in international trade' with a mean of 4.55, while 'Easy learning' was the second factor with an average mean of 4.33; third factor was 'Influence of Colonial ties' with a mean of 4.18 and also 'the effects of multi-language used at the same time in education system' having a mean of 4.15 been the fourth highest. This translation is to mean that majority of the respondents believe that English Language is the most important of all the common languages that is adopted; and they also believe that all languages should be easy learning language as well as its 'colonial ties' are important factor. However, the least factor is 'the influences of common words used on foreign

trade' with a mean of 3.11. So participants believe that language is an important factor for trade.

Table 3: showing the Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Easy learning	200	1	5	4.33	.736
Influence of modern education	200	1	5	4.03	.789
Influence of colonial ties	200	1	5	4.18	.811
Influence of the current technological development	200	1	5	4.09	.774
Influence of cultural effects	200	2	5	4.04	.752
Influence of community values	200	1	5	4.09	.801
Influence of religion factor	200	2	5	4.06	.809
Influence of families opinion	200	1	5	3.82	.861
Influence of geographical location	200	1	5	3.88	.866
Influence of historical background	200	1	5	4.04	.915

The effect of foreign language schools in a country	200	1	5	3.95	.973
Effect of trade volume of a country	200	1	5	3.78	.913
Relevant countries language policies	200	1	5	3.75	.959
Effect of countries education system	200	1	5	3.21	1.146
The effects of multi-language used at the same time in education system	200	1	5	4.15	1.362
The influences of common words used on foreign trade	200	1	5	3.11	1.361
The effects of neighborhood countries language	200	1	5	3.25	1.202
The level of Gdp per capita (wealth of a nation)	200	1	5	4.06	.970
English language is the most useful one in international trade	200	1	5	4.55	.768

French language is the most useful one in international trade	200	1	5	3.92	1.196
Spanish language is the most useful one in international trade	200	1	5	3.84	1.158
German language is the most useful one in international trade	200	1	5	3.99	1.073
Arabic language is the most useful one in international trade	200	1	5	3.68	1.176
Chinese language is the most useful one in international trade	200	1	5	3.47	1.102
Russian language is the most useful one in international trade	200	1	5	3.20	1.207

4.2 Loading Factor

This loading test is one way to check how well the variables (factors) can be used for the study. In order to know if our results explain the important factors, those values which are closer to one (1) will be checked.

For most studies, they usually drop the variable (or factor) and probably extract another component whenever the communality is less than 0.6[1].The results explain best the effect of Chinese language on international trade having 0.808 followed by Spanish having 0.793 and so on as can be seen in the table below.

Table 4: showing the loading factors

	Initial	Loading factors
Easy learning	1.000	.663
Influence of modern education	1.000	.588
Influence of Colonial ties	1.000	.587
Influence of the current technological development	1.000	.639
Influence of Cultural effects	1.000	.628
Influence of Community values	1.000	.500
Influence of religion factor	1.000	.431
Influence of families opinion	1.000	.623
Influence of geographical location	1.000	.588
Influence of historical background	1.000	.581
The effect of foreign language schools in a country	1.000	.696
Effect of trade volume of a country	1.000	.624
Relevant countries language policies	1.000	.520

[1] See Nunnally, J. C. (1978) for more details.

Effect of countries education system	1.000	.534
The effects of Multilanguage used at the same time	1.000	.736
The influences of common words used on foreign trade	1.000	.599
The effects of neighborhood countries language	1.000	.722
The level of Gdp per capita (wealth of a nation)	1.000	.684
English language is the most useful one in international trade	1.000	.623
French language is the most useful one in international trade	1.000	.622
Spanish language is the most useful one in international trade	1.000	.793
German language is the most useful one in international trade	1.000	.681
Arabic language is the most useful one in international trade	1.000	.629
Chinese language is the most useful one in international trade	1.000	.808
Russian language is the most useful one in international trade	1.000	.604

Method: Principal Component Analysis.

4.3 Reliability Statistics Analysis.

Cronbach alpha is a coefficient of internal consistency estimate of reliability of test scores (Cronbach, 1951). An alpha (∞) greater than or equal to 0.9 indicates that the internal consistency is excellent, less than 0.9 down to 0.7 indicates a good internal consistency, less than 0.7 down to 0.6 means acceptable while less than 0.6 is poor and less than 0.5 is generally unacceptable. For the study, by conducting the factor analysis, the Cronbach's Alpha is 0.669 (see table 3) which falls within the acceptable range which means that the 25 questions asked in the questionnaire are consistent and confirmed (Nunnally, J. C. (1978)).

Table 5: showing the Reliability Statistics

Cronbach's Alpha	N of Items
.669	25

4.4 Descriptive Sample Characteristics

The questionnaire contains two parts basically the demographic information and the important factors information. For the demographic part, information such as gender, age, monthly income, job status, education level, nationality, family size, occupation, family background, and number of languages spoken were asked. Table 4 illustrates that there are more responses from males having 116 out of 200 (56%) while the age 28-37 (53%) is the highest age range. There are more people earning below $999 in a month while part-time workers responded higher with 81 in total (40.5%) while there is 64 full time respondents (32%) when it comes to job status.

Also, education level of respondents is more for university with 106 out of 200 (53%) and postgraduates with 60 out of 200 (30%). The same goes for nationality

where Turkish Cypriot and Turkish Citizens have a greater dominance. This is true for education status and nationality because the survey was conducted in North Cyprus, and this is an island that is known uniquely for its education offer. The tables below shows all the demographic information used in the first part of the questionnaire as analyzed.

Table 6: showing the Gender Distribution

	Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	112	56.0	56.0	56.0
	Female	88	44.0	44.0	100.0
	Total	200	100.0	100.0	

Note: Extracted from the SPSS V20 statistics results

Table 7: showing the Age Distribution

	Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-27	55	27.5	27.5	27.5
	28-37	106	53.0	53.0	80.5
	38-47	29	14.5	14.5	95.0
	48-57	7	3.5	3.5	98.5
	58 and upper	3	1.5	1.5	100.0
	Total	200	100.0	100.0	

Table 8: showing the Monthly Income Distribution

	Income	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	$0-999	81	40.5	40.5	40.5
	$1000-1999	72	36.0	36.0	76.5
	$2000-2999	29	14.5	14.5	91.0
	$3000 and above	18	9.0	9.0	100.0
	Total	200	100.0	100.0	

Table 9: showing the Job Distribution

	Job type	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Full time	64	32.0	32.0	32.0
	part time	81	40.5	40.5	72.5
	Unemployed	55	27.5	27.5	100.0
	Total	200	100.0	100.0	

Table 10: showing the Work experience Distribution

	Work experience	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1- 5years	99	49.5	49.5	49.5
	6-10years	61	30.5	30.5	80.0
	More than 10years	38	19.0	19.0	99.0
	5	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

Table 11: showing the Education level Distribution

	Education level	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary school	5	2.5	2.5	2.5
	Secondary/High school	14	7.0	7.0	9.5
	Technical School	15	7.5	7.5	17.0
	University	106	53.0	53.0	70.0
	Postgraduate	60	30.0	30.0	100.0
	Total	200	100.0	100.0	

Table 12: showing the Nationality Distribution

	Nationality	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Turkish Cypriot	58	29.0	29.0	29.0
	Turkish	34	17.0	17.0	46.0
	Iranian	33	16.5	16.5	62.5
	Nigerian	33	16.5	16.5	79.0
	from Middle East	23	11.5	11.5	90.5
	From USSR	12	6.0	6.0	96.5
	British	5	2.5	2.5	99.0
	European	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

Table 13: showing the Family size Distribution

	Family size	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	4	2.0	2.0	2.0
	3	26	13.0	13.0	15.0
	4	91	45.5	45.5	60.5
	5	54	27.0	27.0	87.5
	6	18	9.0	9.0	96.5
	More than 6	7	3.5	3.5	100.0
	Total	200	100.0	100.0	

Table 14: showing the Occupation Distribution

	Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	48	24.0	24.0	24.0
	Government	38	19.0	19.0	43.0
	Professional	60	30.0	30.0	73.0
	Private Sector	54	27.0	27.0	100.0
	Total	200	100.0	100.0	

Table 15: showing the Family Background Distribution

	Family Background	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	My Father is a Tradesman/ or entrepreneur	61	30.5	30.5	30.5
	One of my relative is a businessman	77	38.5	38.5	69.0
	None	61	30.5	30.5	99.5
	4	1	.5	.5	100.0
	Total	200	100.0	100.0	

Table 16: showing the number of languages spoken Distribution

	Number of languages spoken	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	4.0	4.0	4.0
	2	99	49.5	49.5	53.5
	3	77	38.5	38.5	92.0
	More than 3	14	7.0	7.0	99.0
	5	2	1.0	1.0	100.0
	Total	200	100.0	100.0	

4.5 Independent Sample T-test

This kind of test is known as a parametric test which is used to compare the means of two independent groups in order to evaluate if there is any statistical evidence and significant differences associated to the population means.

Table 17, indicates the results of independent Samples Test, for various importance factors of the language effects in international trade. The results display that *Easy learning* (t=2.06; 5*%), Influence of Colonial ties* (t= 2.07; 5%), *The effects of Multilanguage used at schools in a country at the same time* (t=2.12; 5%), and *The*

level of Gdp per capita (wealth of a nation) (t=2.13; 5%), and *English language is the most useful one in international trade (t=2.25; 5%)*, have positive and statistically significant differences between female and male on language effects in international trade, while considering differences with other criteria remained as insignificant factors.

Table 17: showing the T-test statistical analysis

Questions	**Mean**		**T-test**	**Sig.**
	Male	Female		
Easy learning	4.42	4.20	2.06	.040
Influence of modern education	4.05	4.00	1.424	.156
Influence of colonial ties	4.11	3.94	2.07	.040
Influence of the current technological development	4.06	4.14	1.413	.159
Influence of cultural effects	3.98	4.13	1.352	. 178
Influence of community values	4.15	4.22	-1.336	.183
Influence of religion factor	4.08	4.05	-.560	.576
Influence of families opinion	3.83	3.81	.308	.759
Influence of geographical location	3.88	3.89	.194	.847
Influence of historical background	4.04	4.05	-.091	.928
The effect of foreign language at schools in a country	4.00	3.88	-.006	.995

Effect of trade volume of a country	3.79	3.77	.168	.867
Relevant countries language policies	3.75	3.76	-.083	.934
Effect of countries education system	3.18	3.25	-.083	.934
The effects of multi-language used at schools in a country at the same time	2.25	2.66	2.12	.037
The influences of common words used on foreign trade	3.13	3.10	-.473	.635
The effects of neighborhood countries language	3.21	3.30	.481	.035
The level of Gdp per capita (wealth of a nation)	4.09	4.02	2.13	.033
English language is the most useful one in international trade	4.60	4.49	2.25	.024
French language is the most useful one in international trade	3.88	3.97	-.480	.632
Spanish language is the most useful one in international trade	3.81	3.88	-.378	.706
German language is the most useful one in international trade	3.91	4.08	1.106	.270
Arabic language is the most useful one in international trade	3.63	3.76	1.105	.271
Chinese language is the most useful one in international trade	3.40	3.55	.915	.361
Russian language is the most useful one in international trade	3.20	3.20	-.909	.365

Note: Sig is the indication of variable significant

4.6 ANOVA Table

Table 18 shows the output of ANOVA analysis in order to check if the data analysis results have a statistically significant difference between the means of at least three criteria.

Table 18 shows that *"easy learning"* (F=5.82; 1%), *"influence of colonial ties"* (F=2.56; 5%), "influence of the current technology development" (F=2.40; 5%), *"effect of country educational system"* (F=4.38; 1%), ''the *level of Gdp per capita (wealth of a nation)*'' (F=4.385; 1%) '*English language is the most useful one in international trade*' (F=4.385; 1%) and *'The effect of foreign language at schools in a country'* (F=2.99; 5%) are statistically significant and have differences based on the age groups in terms of influencing factors of the language effects in international trade. However, the others were not found as significant based on age differences for language effects criteria compared to the other factors mentioned earlier.

Table 18: showing the F significance

Questions-Ages		**Mean**	**F**	**Sig.**
Easy learning	18-27	4.25	5.826	.000
	28-37	4.38		
	38-47	4.34		
	48-57	4.43		
	58 and upper	3.33		
	Total	4.33		
Influence of modern education	18-27	3.82	1.68	.155
	28-37	4.14		
	38-47	4.14		
	48-57	4.29		
	58 and upper	2.33		
	Total	4.03		
Influence of colonial ties	18-27	3.98	2.566	.040

	28-37	4.01		
	38-47	4.17		
	48-57	4.57		
	58 and upper	3.33		
	Total	4.04		
Influence of the current technology development	18-27	4.02	2.404	.051
	28-37	4.12		
	38-47	4.21		
	48-57	4.14		
	58 and upper	3.33		
	Total	4.10		
Influence of Cultural effects	18-27	4.04	1.034	.391
	28-37	4.00		
	38-47	4.17		
	48-57	4.29		
	58 and upper	4.00		
	Total	4.05		
Influence of Community values	18-27	3.96	1.625	.169
	28-37	4.18		
	38-47	4.48		
	48-57	4.57		
	58 and upper	4.33		
	Total	4.18		
Influence of religion factor	18-27	3.96	1.058	.378
	28-37	4.05		
	38-47	4.31		
	48-57	4.14		
	58 and upper	4.00		
	Total	4.07		
Influence of families opinion	18-27	3.53	.663	.618
	28-37	3.91		
	38-47	4.03		
	48-57	3.86		
	58 and upper	4.00		
	Total	3.82		
Influence of geographical	18-27	3.82	.588	.671

location	28-37	3.84		
	38-47	4.17		
	48-57	3.71		
	58 and upper	4.00		
	Total	3.88		
Influence of historical background	18-27	3.95	0.385	.772
	28-37	4.02		
	38-47	4.38		
	48-57	3.57		
	58 and upper	4.67		
	Total	4.05		
The effect of foreign language at schools in a country	18-27	3.80	2.995	.020
	28-37	3.91		
	38-47	4.28		
	48-57	4.00		
	58 and upper	4.67		
	Total	3.95		
Effect of trade volume of a country	18-27	3.55	1.948	.104
	28-37	3.81		
	38-47	3.93		
	48-57	4.29		
	58 and upper	4.67		
	Total	3.79		
Relevant countries language policies	18-27	3.73	1.605	.181
	28-37	3.75		
	38-47	3.66		
	48-57	4.14		
	58 and upper	4.67		
	Total	3.76		
Effect of countries education system	18-27	3.09	1.918	.109
	28-37	3.28		
	38-47	3.10		
	48-57	3.00		
	58 and upper	4.33		
	Total	3.21		
The effects of multi-	18-27	2.31	1.948	.104

language used at schools in a country at the same time	28-37	2.57		
	38-47	2.21		
	48-57	2.14		
	58 and upper	2.67		
	Total	2.43		
The influences of common words used on foreign trade	18-27	3.60	1.705	.151
	28-37	2.91		
	38-47	2.93		
	48-57	2.86		
	58 and upper	4.00		
	Total	3.12		
The effects of neighborhood countries language	18-27	3.25	1.94	0.101
	28-37	3.19		
	38-47	3.34		
	48-57	3.86		
	58 and upper	3.00		
	Total	3.25		
The level of Gdp per capita (wealth of a nation)	18-27	3.87	4.385	.002
	28-37	4.08		
	38-47	4.34		
	48-57	4.00		
	58 and upper	4.00		
	Total	4.06		
English language is the most useful one in international trade	18-27	4.55	4.810	.001
	28-37	4.52		
	38-47	4.62		
	48-57	4.57		
	58 and upper	5.00		
	Total	4.55		
French language is the most useful one in international trade	18-27	3.42	1.705	.151
	28-37	4.09		
	38-47	4.10		
	48-57	4.71		
	58 and upper	3.33		
	Total	3.92		
Spanish language is the	18-27	3.42	1.205	.191

most useful one in international trade	28-37	3.99		
	38-47	4.03		
	48-57	4.29		
	58 and upper	3.33		
	Total	3.84		
German language is the most useful one in international trade	18-27	3.85	1.705	.151
	28-37	3.96		
	38-47	4.24		
	48-57	4.43		
	58 and upper	3.67		
	Total	3.99		
Arabic language is the most useful one in international trade	18-27	3.15	1.55	.171
	28-37	3.89		
	38-47	3.97		
	48-57	4.00		
	58 and upper	3.00		
	Total	3.69		
Chinese language is the most useful one in international trade	18-27	3.18	1.705	.151
	28-37	3.49		
	38-47	3.72		
	48-57	4.00		
	58 and upper	4.00		
	Total	3.47		
Russian language is the most useful one in international trade	18-27	2.89	1.705	.151
	28-37	3.29		
	38-47	3.38		
	48-57	3.71		
	58 and upper	2.67		
	Total	3.20		

Note: Sign is the indication of variable significant

Chapter 5

CONCLUSION

5.1 Conclusion

The results show that the most important factor compared to others is 'English language is the most useful one in international trade', 'easy learning' and 'influence of colonial ties' and 'the effects of multi-language used at the same time in education system'. Based on independent sample t-test, 'Easy learning', 'Influence of Colonial ties', *'The effects of Multilanguage used at schools in a country at the same time*', and '*The level of Gdp per capita (wealth of a nation)*', and '*English language is the most useful one in international trade',* have differences between female and male on language effects in international trade. Finally, Anova analysis shows that *''Easy learning", "Influence of Colonial ties"*, "*Influence of the current technology development*", *"Effect of country educational system"*, "The *level of Gdp per capita (wealth of a nation)*" "*English language is the most useful one in international trade*' and *'The effect of foreign language at schools in a country'* have difference based on the age groups in terms of influencing factors of the language effects in international trade. The results of this thesis were consistent with Turk & Katz, (1992) and Crosier, Goodchild, Hill, & Smith, (2003) studies.

Chapter 6

RECOMMENDATIONS FOR FURTHER STUDIES

6.1 Recommendation

For future studies, statistical techniques can be improved for getting more rigorous results for the sake of the research. English language can be encouraged to use more effectively whereas multi-language schools can be initiated to open in a country for interest of international trade. If wealth of a nation is increased, more opportunity can be found out in learning foreign language for making international trade. Young generation like age group 18-30 could be inspired to learn foreign language for the sake of international trade whilst population male could be encouraged to focus on foreign language compared to female population.

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APPENDIX

The language effects in international trade: Evidence from North Cyprus

Dear Participant,

This research is about your opinions as an owner of a company or a consumer in determining the language effects. Please read all of the following questions carefully and try to answer the questions on ‘‘is language an important determinant for foreign trade and what kind of language factors do really stimulate foreign trade?

Regards,

Prof .Dr. Sami Fethi and Shiva Jaldi

PART A. DEMOGRAPHIC PROFILE

1. Gender:

a. Male b. Female

2. Age

a. 18-27 b. 28-37 c. 38-47 d. 48-57 e. 58 and upper

3. Monthly Income Level

a. $ 0 – 999 b. $ 1000 – 1999 c. $ 2000 – 2999 d. 3000 and over

4. Job status:

a. Full time b. Part-time c. unemployed

5. Work Experience

a. 1-5 years b. 6-10 years c. more than 10 years

6. Education Level

a. Primary School b. Secondary/high School c. Technical school d. University e. Post graduate

7. Nationality

a. Turkish Cypriot b. Turkish c. Iranian d. Nigerian

e. People from Middle East f. People from Former USSR g. British h. European

8. Family Size

a. 2 b. 3 c. 4 d. 5 e. 6 f. more than 6

9. Occupation

a. Business b. Government c. Professional d. Private sector

10. Family background

a. My father is a tradesman/businessman/entrepreneur b. one of my relative is a businessman c. None

11. How many languages do you speak?

a. 1 b. 2 c. 3 d. more than 3

PART B. factors of the language effects on foreign trade

This section comprises of 25 questions on the language effects in international trade. Please use the following Likert`s scale ranging from 1 (Not Important at all) to 5 (Very Important) for your answers:

Not Important at all **Very Important**

1 2 3 4 5

ID	**factors of the language effects on foreign trade**	**LIKERT`S SCALE**				
1.	Easy learning	1	2	3	4	5
2.	Influence of modern education	1	2	3	4	5
3.	Influence of Colonial ties	1	2	3	4	5
4.	Influence of the current technological development	1	2	3	4	5
5.	Influence of Cultural effects	1	2	3	4	5
6.	Influence of Community values	1	2	3	4	5
7.	Influence of religion factor	1	2	3	4	5
8.	Influence of families opinion	1	2	3	4	5
9.	Influence of geographical location	1	2	3	4	5
10.	Influence of historical background	1	2	3	4	5
11.	The effect of foreign language schools in a country	1	2	3	4	5
12.	Effect of trade volume of a country	1	2	3	4	5
13.	Relevant countries language policies	1	2	3	4	5
14.	Effect of countries education system	1	2	3	4	5
15.	The effects of Multilanguage used at the same time	1	2	3	4	5
16.	The influences of common words used on foreign trade	1	2	3	4	5
17.	The effects of neighborhood countries language	1	2	3	4	5
18.	The level of Gdp per capita (wealth of a nation)	1	2	3	4	5
19.	English language is the most useful one in international trade	1	2	3	4	5
20.	French language is the most useful one in international trade	1	2	3	4	5
21.	Spanish language is the most useful one in international trade	1	2	3	4	5
22.	German language is the most useful one in international trade	1	2	3	4	5
23.	Arabic language is the most useful one in international trade	1	2	3	4	5
24.	Chinese language is the most useful one in international trade	1	2	3	4	5
25.	Russian language is the most useful one in international trade	1	2	3	4	5

Source: This questionnaire is modified by conducting Youn & Faber, 2000; Han, 1987; Rook & Hoch, 1985; Weun, Jones, & Betty, 1997; Youn & Faber, 2000 (4); Beatty & Ferrel, 1998; Youn, 2000; Jan Fidrmuc and Jarko Fidrmuc 2009; R.D. Bikash, S.K. Pravat and Sreekumar (2010). Peter H. Egger and Andrea Lassmann (2012) , economics letters and Jacques Melitz (2006) CEPR Working Paper; Jacques Mélitz and Farid Toubal, 2012.